This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 08 TEL AVIV 005818

SIPDIS

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA HQ USAF FOR XOXX DA WASHDC FOR SASA JOINT STAFF WASHDC FOR PA USCINCCENT MACDILL AFB FL FOR POLAD/USIA ADVISOR COMSOCEUR VAIHINGEN GE FOR PAO/POLAD COMSIXTHFLT FOR 019

JERUSALEM ALSO FOR ICD LONDON ALSO FOR HKANONA AND POL PARIS ALSO FOR POL ROME FOR MFO

E.O. 12958: N/A
TAGS: <u>IS KMDR MEDIA REACTION REPORT</u>
SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

11. Likud Infighting

¶2. Gaza Violence

Key stories in the media:

Israel Radio quoted Ambassador Richard H. Jones as saying this morning, upon presenting his credentials to President Moshe Katsav at the Residence of the President in Jerusalem: "My arrival coincides with a time of extraordinary change and opportunity in the region. We applaud Israel for the courage it has demonstrated through Gaza disengagement, and encourage Israel and the Palestinian Authority to seize this opportunity to advance prospects for a just and lasting peace through implementation of the agreed Roadmap. The Bush administration's commitment to the vision of two states, Israel and Palestine, living side-by-side in peace and security is steadfast." Yediot quoted Ambassador Jones as saying on Sunday at a get-to-know-you meeting with FM Silvan Shalom that the U.S. administration understands Israel's need to respond to fire from the Gaza Strip, and that he empathizes with the Israeli families that were harmed by Qassam fire during the weekend. Yediot reported that FM Shalom told Ambassador Jones, whom he called a true friend of Israel, that he was arriving at a time when there is a potential for peace and at the same time increased violence on the part of the Palestinians.

The two dominant media stories during the weekend were the escalation of the military situation in and around the Gaza Strip, and turbulent developments at the Likud Central Committee meeting.

Today, all media led with Sharon's departure from the Likud meeting last night after the microphone stopped working as he was about to deliver his speech. Many commentators suggested this was an act of sabotage. The media reported that the Sharon camp and its opponents blamed one another for the incident. Yediot reported that cabinet ministers Limor Livnat and Danny Naveh announced on Sunday that they would vote to move up the party's primaries, because Sharon refrained from stating he was staying in the party. The media reported that, before the incident, polls indicated a narrow majority for Binyamin Netanyahu in today's committee vote.

Yediot, Maariv, Jerusalem Post, and Ha'aretz printed the text of, or excerpts of, the speech Sharon was to deliver, in which he lists his achievements in creating the Likud and making it thrive and states that if Israel insists on the dream of Greater Israel being realized, "we could lose absolutely everything." In his own address, Netanyahu said that the party did not belong to him or Sharon.

All media reported on the chain of events in the Gaza Strip. On Friday evening, a mysterious explosion shook a Hamas parade in the Jabalya camp north of Gaza City, in which 15 to 19 Palestinians were killed. While

Hamas blamed Israel for the act, the PA exonerated it. Hamas responded by firing about 40 rockets into Israel where five people were wounded. The IDF resumed its targeted killings, taking the lives of four Hamas members and wounding three other Palestinians, massed troops along the Gaza border, and on Saturday, for the first time, used artillery it had deployed around the border, firing shells into open areas. Last night, senior Islamic Jihad activist Muhammad Latif Sheikh Khalil and his bodyguard were killed in an IAF strike in southern Gaza. Leading media quoted senior Hamas leader Mahmoud Zahar as saying that his organization would stop launching rocket and other attacks against Israel from Gaza. This morning, Israel Radio reported that Hamas agreed to a cease-fire following PA Chairman [President] Mahmoud Abbas's threat that the PA would confront Hamas head on. However, leading media cited an announcement by Islamic Jihad that it would continue its actions. Israel Radio reported that the security forces arrested over 200 Hamas and Islamic Jihad militants during the weekend.

On Sunday, Israel Radio reported that Secretary of State Condoleezza Rice spoke by telephone the previous night with Abbas and urged him to act to prevent deterioration in the situation and to work towards a return to calm.

Ha'aretz reported that Israel canceled Sharon's meeting with Abbas, which was scheduled for next Sunday. Israel Radio cited chief PA negotiator Saeb Erekat as saying that that the timing of the meeting was being discussed again.

Jerusalem Post quoted Finance Ministry Director-General Yossi Bachar as saying on Sunday in Washington that Israel has not yet decided if and when to renew its request for financial aid from the U.S. He was quoted as saying that the GOI would make such a decision. On Sunday, Jerusalem Post reported that the Iranian nuclear threat, and Israel -U.S. defense relations would be on the agenda when members of Knesset Foreign Affairs and Defense Committee travel to Washington this week to meet with U.S. defense officials.

On Sunday, leading media reported that King Abdullah II of Jordan would visit Israel and the PA in the coming days. Ha'aretz wrote on Sunday that the previous day, Kuwait denied reports it is to join Bahrain in lifting the economic embargo against Israel. Yediot brought contradictory reports on the matter.

Yediot reported that, in talks he held with Syrian President Bashar Assad in Cairo on Sunday, Egyptian President Hosni Mubarak told Assad that, were he to continue supporting terror, he could lose power. According to the newspaper, Mubarak also urged Assad to strengthen Abbas. On the other hand, Jerusalem Post reported that Egypt publicly denounced Syria's isolation in the Arab world.

On Sunday, Ha'aretz reported that 4,000 people attended the Peace Now/Geneva Initiative peace rally opposite Sharon's Jerusalem residence on Saturday. Around one thousand Palestinians attended a similar demonstration in Ramallah.

Maariv reported that, according to post-9/11 procedures, only the PM -- and in his absence the defense minister and the chief of staff -- is empowered to down civilian airliners that have strayed from their route.

Jerusalem Post reported that "Hawala," an ancient Eastern way of transferring money without banks, will be one of the subjects under discussion by Arabs of 14 countries at a conference in Beirut today to stop terror funding.

Israel Radio reported that an ultra-Orthodox Jew, who is an AmCit, has been arrested over alleged security offenses. Evidence of his having sojourned in Arab countries was reportedly found in his belongings. The radio said he would be evicted from the country.

Yediot quoted Karen AbuZayd, the Commissioner-General of the UN Relief and Works Agency, as saying at the Palestinian Center in Washington that 30,000 Palestinians lost their homes during the Intifada. AbuZayd was also quoted as saying that the UN would rebuild the homes of those Palestinians.

The media reported that only several hundred people attended Sunday's rally opposite Sharon's office in Jerusalem to reject the decision of the Justice Ministry's Police Investigations Department not to prosecute any policemen or officers over the killing of

13 Israeli Arabs in the October 2000 riots.

Jerusalem Post reported that several Israel-based Christian groups were feted Sunday at President Moshe Katsav's residence for their unequivocal support for Israel.

On Sunday, Maariv quoted former Sephardi chief rabbi Shlomo Eliyahu as saying during the weekend that Hurricane Rita is retribution for President Bush's support of the disengagement from Gaza. Eliyahu was quoted as saying the Hurricane Katrina struck Secretary Rice's home state -- Alabama -- while Rita hit Bush's -- Texas.

11. Likud Infighting:

Summary:

Independent, left-leaning Ha'aretz editorialized: "The Likud will decide today not only on a date for its leadership primary and whether to shorten Sharon's term of office, but primarily on whether it adheres to the policy of continued rule over another nation."

Liberal op-ed writer Yael Gewirtz wrote in the editorial of mass-circulation, pluralist Yediot Aharonot: "On Sunday, the Likud lost its legitimacy as a party worthy of ruling."

Diplomatic correspondent Ben Caspit wrote in popular, pluralist Maariv: "Some called Sharon's speech to the UN General Assembly a writ of divorce from the Likud. Polls showed this wasn't so. The writ of divorce was given last night. It should be handed by the Israeli public to its thuggish ruling party."

Block Quotes:

¶I. "What the Likud Committee Is Voting On"

Independent, left-leaning Ha'aretz editorialized (September 26): "The Likud will decide today not only on a date for its leadership primary and whether to shorten Sharon's term of office, but primarily on whether it adheres to the policy of continued rule over another nation, or whether the need to change the party's path has already filtered down to the ranks of its activists. The 'not one inch' policy that characterized the Likud and the right for generations is by now so irrelevant and unpopular that even Landau and Netanyahu have turned their backs on it. Even they know that there is no majority among the Israeli public for continuing the occupation, and it is doubtful that such a majority even exists among Likud voters. A withdrawal from additional settlements is only a matter of time, and the Likud candidates are now debating among themselves over a policy that has become obsolete... If Sharon loses today's vote on advancing the primary, the Likud will apparently split into two parties. It could be that the historic Likud will thereby pave its way into the opposition, and Netanyahu and Landau will learn at the ballot box that their victory in the party's central committee was meaningless in terms of both public opinion and reality.

II. "Catch 22 at the Likud"

Liberal op-ed writer Yael Gewirtz wrote in the editorial of mass-circulation, pluralist Yediot Aharonot (September 26): "The fact that the [Likud] Party's domestic affairs have taken over the State of Israel's agenda and drawn the Prime Minister, the ministers, and the Knesset members, into exhausting all their energy and reason in inferior political lobbying — like passengers on a plane that was skyjacked from its course — should dismay all of us. On Sunday, the Likud lost its legitimacy as a party worthy of ruling... By booby-trapping itself to death, the Likud Central Committee resolutely and very publicly clarified on Sunday where exactly the real, most dangerous booby-trap is concealed."

III. "Only the Likud Could Have Done It"

Diplomatic correspondent Ben Caspit wrote in popular, pluralist Maariv (September 26): "On the one hand it is not reasonable to assume that Netanyahu was behind the silencing of Sharon's microphone [at the Likud Central Committee meeting on Sunday night]. There are 50 less unpleasant ways of committing suicide. On the other

hand -- who knows? And what about Sharon? For he will quit the Likud as a victor. If he wins today he can do whatever he wants. So, was it Sharon who gagged himself and played the mother of all tricks on Bibi? It's hard to believe... On Sunday, the entire world watched Sharon sitting and getting up, standing and sitting down, in vain. The world was certainly asking itself what more that crazy little state is capable of inventing... What we will remember from this night is the speech that was written, rewritten, edited, typed and even distributed, but not spoken. We will remember the fragments of culture and democracy that rolled on the ground of [Tel Aviv's] Exhibition Grounds [the meeting's venue]. Some called Sharon's speech to the UN General Assembly a writ of divorce from the Likud. Polls showed this wasn't so. The writ of divorce was given last night. It should be handed by the Israeli public to its thuggish ruling party."

12. Gaza Violence:

Summary:

Conservative, independent Jerusalem Post editorialized: "The international community should realize that the road map cannot move forward while Israel is under attack and that if the PA won't take action, Israel will."

Independent, left-leaning Ha'aretz editorialized: "Assertive security dialogue with the PA is the main weapon Israel should use, without compromise or concessions."

Block Quotes:

¶I. "Deterrence"

Conservative, independent Jerusalem Post editorialized (September 26): "What is at stake is whether Israel's withdrawal from Gaza leads to a reduction in tension and the bolstering of a viable Palestinian entity with whom it is possible to discuss conflict management, or whether disengagement is seen as flight under fire and leads to Palestinian rejectionists using violence against Israel whenever internal Palestinian politics dictate.... The real problem is the feebleness of PA Chairman Mahmoud Abbas, who has neither the stomach nor the ability to rein in the rejectionists. Therefore, in the post-disengagement era Israel needs to rehabilitate its deterrence capabilities. That requires making enemy attacks prohibitively costly, especially to the terrorist chieftains who orchestrate them. The goal is not only to halt strikes against the Negev, but to make the Palestinians think twice before turning the West Bank into a launching pad against Israel. The international community should realize that the road map cannot move forward while Israel is under attack and that if the PA won't take action, Israel will.

II. "Assertive Security Dialogue"

Independent, left-leaning Ha'aretz editorialized (September 25): "The explosion during the Hamas parade in Jabalya on Friday, in which 17 Palestinians were killed and some 140 injured, immediately became a test of the Palestinian Authority and the unwritten agreement between it and Israel over maintaining quiet on the border. Unfortunately, that quiet was not maintained.... Now that the withdrawal is completed and the border crossings have become de facto international ones, Israel must treat attacks launched from the PA like attacks from any other country -- which becomes an enemy state the moment such an action happens. cannot accept excuses such as the lack of control by those who have accepted control over the entire Gaza Strip. The fact that we are talking about a kind of Palestinian state makes both the missile attacks and the response to them even more significant in terms of the mutual harm to sovereignty. Just as it is difficult to accept attacks from the PA on Israel, it is equally difficult to accept the IDF's automatic entry into Gaza every time the quiet is violated. Assertive security dialogue with the PA is the main weapon Israel should use, without compromise or concessions.